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UNCLAS SECTION 01 OF 05 KATHMANDU 000471

SIPDIS

STATE FOR SA/INS AND DS/IP/NEA  
STATE ALSO PLEASE PASS USAID/DCHA/OFDA  
STATE ALSO PLEASE PASS PEACE CORPS HQ  
USAID FOR ANE/AA GORDON WEST AND JIM BEVER  
MANILA FOR USAID/DCHA/OFDA  
LONDON FOR POL/RIE DEL  
TREASURY FOR GENERAL COUNSEL/DAUFHAUSER AND DAS JZARATE  
TREASURY ALSO FOR OFAC/RNEWCOMB AND TASK FORCE ON TERRORIST  
FINANCING  
JUSTICE FOR OFFICE OF THE DEPUTY ATTORNEY GENERAL/DLAUFMAN

E.O. 12958: N/A

TAGS: PHUM PTER CASC PGOV NP IN

SUBJECT: UPDATE ON NEPAL'S MAOIST INSURGENCY, MARCH 8-14

REF: KATHMANDU 0311

SUMMARY

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1. The Government of Nepal (GON) and the Maoists jointly announced the signing of a code of conduct on March 13. Dinanath Sharma, senior-level Maoist and member of the Maoist negotiating team, arrived in the capital and met with the major leftist political parties. Prime Minister Lokendra Bahadur Chand called for the political parties to put aside their differences and personal interests in order to create lasting peace. Narayan Singh Pun, Minister of Physical Planning and Works and government-appointed peace talks coordinator said that now was not the time to debate the constitutionality of the present government, but to solve the nation's problems. The major parties boycotted, for the second time, an all-party meeting called by Prime Minister Chand on March 11 to discuss ceasefire negotiations.

2. Summary Continued. Fourteen Maoists escaped from police custody in far-western Kanchanpur District on March 8 after beating up the guards. Imprisoned Maoists in Bhadrapur District have launched protests. Two Maoists were released from prison in Navalparasi District, and the Supreme Court ordered the release of fifteen other prisoners from a Kathmandu jail. Maoists reportedly detonated a powerful bomb in Achham District in March 8 and destroyed a communications tower. Four Maoists were killed on March 8 in Jajarkot District when a bomb they were carrying exploded. Maoists reportedly have attempted to extort money from a schoolteacher in Baglung District. The families of two school children killed by Maoists at a Baglung District school on February 18 (Reftel) have accused the GON of failing to properly investigate the deaths out of fear of disrupting the peace process. The All Nepal National Independent Students Union-Revolutionary (ANNISU-R) padlocked government-run colleges throughout the Kathmandu Valley on March 9. The pro-Maoist student wing said the lockdown would continue indefinitely. The Appellate Court of Patan in Kathmandu reportedly issued arrest warrants on March 12 for Maoist leaders Prachanda, Baburam Bhattarai, and Ram Bahadur Thapa in response to the criminal cases filed against them by the GON. On March 8 Minister Pun reportedly said that the donor community had pledged almost two thousand tons of food grain to feed the insurgents. A junior minister denied Pun's statement the next day. End Summary.

CODE OF CONDUCT SIGNED; MAJOR PARTIES REACT

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3. After almost daily promises by Narayan Singh Pun, Minister of Physical Planning and Works and government-appointed coordinator for peace talks that a code of conduct would be made public, the GON and the Maoists held a press conference on March 13 and jointly announced that a twenty-two-point code of conduct had been concluded between the GON and the Maoists (septel). The code of conduct was signed by Minister Pun and Dr. Baburam Bhattarai, leader of the Maoist negotiation team. Krishna Bahadur Mahara represented the Maoist party at the press conference because Bhattarai is still underground. Mahara said the Maoists were committed to a peaceful resolution, and the Maoist negotiating team, including Bhattarai, would arrive in Kathmandu when they are certain the code is being implemented properly.

4. The major political parties hailed the signing and reportedly were hopeful that it signified the end of the cycle of violence, murder and destruction, but also remained somewhat skeptical about whether or not it would be followed by both sides. Arjun Narsingh K.C., spokesman of Nepali Congress (NC), was quoted as saying the code of conduct was positive, but was hesitant to judge how helpful it would be

until it was determined that the code was being implemented properly.

15. R.K. Mainali, member of the Communist Party of Nepal-United Marxist Leninist (CPN-UML), said that the code should be implemented honestly in order for lasting peace to be achieved. Kamal Thapa, Central Member of the Rastriya Prajatantra Party (RPP), hailed the GON's "big achievement" in releasing details of the code of conduct. Deep Kumar Upadhyay, Central Member of Nepali Congress (Democratic), pledged his party's full cooperation in transforming the ceasefire into a lasting peace.

#### MAOIST LEADER MEETS WITH LEFTIST PARTIES IN KATHMANDU

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16. Dinanath Sharma, senior-level Maoist and member of the Maoist negotiating team, arrived in Kathmandu and met with the major leftist political parties on March 11. Sharma's highly publicized arrival was the first public visit of a senior Maoist since the announcement of the ceasefire. Sharma declared the Maoists would join all the leftist parties in a "united move against the King's regressive step." (Note: The parties are protesting the King's decision to dissolve the previous government on October 4, 2002). Sharma also told reporters that he considers the government under Prime Minister Chand illegitimate, and reiterated that the Maoists are in negotiations with the state (i.e., King Gyanendra) and not the Prime Minister.

17. Prior to the signing of the code of conduct, Sharma reportedly accused the GON of delaying the peace process and said the GON was "not serious and sincere for talks." Sharma said the Maoists had expected to start talks by the end of February, but the GON had not created a conducive environment. Minister Pun downplayed criticism of the GON, declaring on March 9 that lasting peace would not be attained simply by rushing the peace process.

#### PRIME MINISTER URGES PARTY COOPERATION

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18. On March 10 Prime Minister Lokendra Bahadur Chand called for the political parties to put aside their differences and personal interests in order to create lasting peace. The Prime Minister urged party leaders to "forget the bitter past and unite for permanent peace." The major parties boycotted, for the second time, an all-party meeting called by Prime Minister Chand on March 11. They had boycotted a previous all-party meeting to which they were invited by Chand on February 17.

19. Minister Pun echoed the Prime Minister's remarks on March 10, saying that now was not the time to debate the constitutionality of the present government, but to solve the nation's problems. Pun said that the GON had made sincere efforts to include the major political parties in the peace process, and reiterated that people should "rest assure about the success of the talks."

#### SKEPTICISM PERSISTS ABOUT PEACE TALKS

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10. Local political analysts reportedly are wary of the future of the peace talks because of the discontent among the major political parties and the GON's dependence on military action to solve the current crisis. According to press accounts, analysts who gathered on March 12 to discuss the current political situation, contended the GON still believes that it can solve the current crisis through military action, as evidenced by its refusal to order the army back to the barracks. They are also concerned that lasting peace cannot be achieved without the support of the political parties.

11. Local human rights activists sympathetic to the Maoists gathered on March 12 to urge both the GON and the Maoists to come up with clear agendas and make adequate preparations for the peace talks. The activists reportedly accused the GON of not taking matters seriously, not learning enough about Maoist ideology, and being ill prepared. They warned that these were part of the reason why talks had failed previously.

12. Sher Bahadur Deuba, President of Nepali Congress (Democratic), said on March 7 that the Maoists should fully commit to stop all violence and extortion, declaring that it would be "suicidal" if the Maoists turn their back on the talks again. Deuba also reiterated his party's opposition to the King's dissolution of the previous government on October 4, demanding that the King reinstate the elected government.

#### MAOIST JAILBREAK

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13. Fourteen Maoists escaped from police custody in far-

western Kanchanpur District on March 8 after beating up the guards. Among the escapees are platoon leaders and section commanders of the so-called Maoist Peoples Army. The insurgents had been arrested on weapons charges. The suspects are still at large and an investigation into the jailbreak is underway.

14. The Supreme Court ordered the release on March 13 of fifteen Maoists from a Kathmandu jail. The detainees had been in custody on suspicion of being involved in terrorist activities. The District Administration Office in Nepalparasi released two suspected Maoists from jail on March 12, and said that nine other prisoners might also be released after the necessary paperwork is completed. Prisoners in Bhadrapur District have launched protests demanding their release from custody. The detainees have staged different protests for the past two weeks, and have planned another for March 23. There are currently two hundred and seventy-four inmates at the district jail.

#### CONTINUED VIOLENCE

15. Maoists reportedly set off a powerful bomb in Achham District on March 8 and destroyed a communications tower. Telecommunications had only been restored recently after a previous attack on the tower by the insurgents caused major damage. However, sources in the district say that the tower is now beyond repair. Four Maoists were killed on March 8 in Jajarkot District when a bomb they were carrying exploded.

16. In Baglung District insurgents allegedly approached a teacher on March 12 and threatened him with physical harm if he did not give them almost a thousand dollars.

17. Senior level Maoists in Dang District announced on March 8 that they would return over half a million dollars in gold that the insurgents looted from the Nepal Bank Limited in the district headquarters. The insurgents said the gold would be returned if the villagers could produce genuine bank documents proving ownership.

#### GON ACCUSED OF COVERUP IN DEATH OF CHILDREN

18. The families of two school children killed by Maoists at a Baglung District school on February 18 (Reftel) have accused the GON of failing to investigate properly the deaths out of fear of disrupting the peace process. District representatives from the Communist Party of Nepal-United Marxist Leninist (CPN-UML), Nepali Congress (NC), Nepali Congress (Democratic), and the Peoples Front Party (PFP) also issued a press release accusing the GON of bowing to Maoist threats not to investigate the killings. The parties reportedly said the killings were well planned and said the Maoists and the GON are "trying to hide the facts." The press release also says there have been other similar incidents despite the ceasefire.

#### COURT ISSUES ARREST WARRANTS FOR MAOIST LEADERS

19. According to press accounts, the Appellate Court of Patan in Kathmandu Valley issued arrest warrants on March 12 for Maoist leaders Prachanda, Baburam Bhattarai, and Ram Bahadur Thapa in response to cases filed against them by the GON. The warrants declare that the Maoists have to appear before the court within seventy days. There has been no response from the insurgents.

#### ANNISU-R PADLOCKS COLLEGES

20. The All Nepal National Independent Students Union-Revolutionary (ANNISU-R) padlocked branches of government-run Tribhuvan University throughout the Kathmandu Valley on March 9. Over half a dozen colleges were locked up by the militant student wing of the Maoist party. Dipendra Pant, Chairman of the Kathmandu District of ANNISU-R, said the lockdown would continue indefinitely unless the GON met their five-point demands. The demands include the release of all imprisoned students; the release of information on the whereabouts of Purna Poudel, General Secretary of ANNISU-R; an immediate end to arrests of pro-Maoist students; a ban on security forces inside campuses; and the admission of pro-Maoist students to government-run universities.

21. The ANNISU-R issued an additional seventy-two hour ultimatum on March 13 threatening further lockdowns if the whereabouts of their comrades were not made public. The militants also demanded that all detained and missing students be released by March 19.

22. The Ministry of Education reportedly has contacted the ANNISU-R for talks, and Minister Pun sent a letter on March

10 to the ANNISU-R inviting them to the negotiating table and declaring that the GON was ready to solve the problem as soon as possible. (Note: The ANNISU-R withdrew a call for a nationwide strike of educational institutions last month after the announcement of the ceasefire). As of March 14 the campuses remain locked.

#### GON TO PROVIDE FOOD TO MAOISTS

23. There are conflicting reports over whether or not the GON has promised food to the Maoists. On March 8 Narayan Singh Pun, Minister of Physical Planning and Works, reportedly announced that the donor community had pledged almost two thousand tons of food grain to feed Maoist cadre. Minsiter Pun was quoted as saying that the insurgents often resort to looting because they do not have sufficient clothing and food, and therefore, the GON was offering the food to stop the need for looting. However, on March 9, just one day after Pun's statement, Rabindra Khanal, Assistant Minister of Education and Sports, denied that the GON was offering food to the Maoists. Khanal issued a strong statement saying the GON had not reached any decision to provide food.

MALINOWSKI